

The complaint

Mrs H complains that Mapfre Asistencia, Compania Internacional De Seguros y Reaseguros, S.A. (Mapfre) declined her travel insurance claim and about its service. My references to Mapfre include its agents.

Mrs H is represented by her father in her claim to Mapfre and her complaint to us.

.What happened

On 30 December 2019 Mrs H bought an annual travel insurance policy, Mapfre was the insurer. In December 2019 she booked a trip with her sons to a European country from 6 to 15 July 2020.

However, on 11 March 2020 the World Health Organisation (WHO) declared Covid-19 to be a pandemic. On 17 March 2020 the Foreign, Commonwealth & Development Office (FCDO) (formerly the Foreign & Commonwealth Office (FCO)) advised against all but essential travel abroad. On 23 March 2020 the UK government imposed various restrictions on travel and movement domestically and internationally, commonly referred to as lockdown.

The airline cancelled Mrs H's flights. And on 29 May 2020 Mrs H cancelled the trip accommodation due to the British Government restrictions on travel abroad. Mrs H accepted a voucher as a refund from the airline. On or about 15 June 2020 she claimed for her lost hotel and ferry costs on the policy.

On 4 July 2020 the FCDO placed some countries, including Mrs H's planned destination, on a 'travel corridor' list. The countries on this list were exempt from the FCDO advice against all but essential travel.

Mapfre declined the claim. It said there was no cover for the cancellation as there was no FCDO advice against non-essential travel to the relevant country on 6 July 2020 when Mrs H had been due to travel.

Mrs H complained to Mapfre about its claim decision and how it handled her claim. Mapfre accepted it had unnecessarily delayed in deciding the claim as it had asked for information Mrs H had already provided. It offered Mrs H £100 compensation to apologise for her distress and inconvenience caused by its poor service but it still declined the claim.

Mrs H complained to us. She said her claim was payable under the cancellation and/or abandoning your trip sections of the policy. She thought the £100 compensation Mapfre offered wasn't enough.

Ultimately our investigator said Mapfre had unfairly declined the claim. She recommended Mapfre pay the claim, subject to the remaining policy terms and conditions, plus interest. She said Mapfre's offer of £100 compensation for Mrs H's distress and inconvenience was reasonable.

Mapfre disagreed about the claim and wants an ombudsman's decision. It said the policy terms stated FCDO advice not to travel had to be in place on the date of departure of the trip. Due to the pandemic it had changed its position to cover a claim if the FCDO advice was in place 48 hours before a trip was due to start but Mrs H had cancelled her accommodation weeks before she was due to start the trip.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

The relevant regulator's rules say that insurers must handle claims promptly and fairly. And they mustn't turn down claims unreasonably. I think Mapfre didn't handle the claim promptly, but its offer of compensation was fair. I think Mapfre unreasonably declined the claim. I'll explain why.

The policy says under the 'cancelling and cutting short your holiday' section that for specified insured events which the policy lists Mapfre will cover:

'travel and accommodation expenses that you have paid or have agreed to pay under a contract and which you cannot get back, including any local prepaid excursions, tours or activities, if it is necessary and you cannot avoid cancelling...'

One of the insured events the policy lists is:

'You cannot commence travel to your intended destination due to the Foreign and Commonwealth Office (FCO) advice for your destination/location changing to as a minimum 'all but essential travel' after the purchase of your policy or after the booking of any individual trip, whichever is the latter ...'

I accept that on the date Mrs H had been due to travel the FCDO advice against all but essential travel to the relevant country was no longer in place, the advice had been changed two days before. But even if I thought Mapfre could reasonably say the wording of the above policy term meant the FDCO advice had to be in place on the planned departure date for the claim to be covered under the strict policy terms I also have to consider what's fair and reasonable in the circumstances of this claim.

Mrs H hasn't been able to provide evidence of the date the airline cancelled her outward flight from the UK. But her claim form, sent on or about 15 June 2020, said the airline had already given her a voucher for the cancelled flight so I'm satisfied the airline had already cancelled that flight. There is evidence that on 30 June 2020 the airline cancelled what would have been the return flight of 15 July 2020.

The airline doesn't say why it cancelled the flights but I'm satisfied that it's more likely than not the cancellation was due to the FDCO advice against non-essential travel which was in place when both flights were cancelled. Mrs H cancelled her accommodation on 29 May 2020, when the FCDO against non-essential travel was in place. Her claim form say the reason for the cancellation was the FCDO advice.

It wasn't unreasonable for Mrs H to have cancelled her accommodation in May 2020. She couldn't have known then, or on 15 June 2020 when she submitted the claim, that the FCDO advice about travel to her planned destination was going to change. At the time her flight and accommodation were cancelled the FCDO advice against non-essential travel to the relevant country was in place and I think it's fair and reasonable in the circumstances for this claim to

fall within the cover of an insured event under the cancellation section of the policy. That means I don't need to consider and make a finding on whether or not the claim was covered by the 'abandoning your trip' section of the policy, as Mrs H suggests.

I think the evidence Ms H provided to Mapfre shows she reasonably tried, but was unable, to obtain refunds from the hotel providers so I think those costs are non-recoverable. I haven't seen any evidence that Mrs H tried to obtain a refund from the ferry provider. But I accept her point that the ferry was still running within the relevant country at the time so the provider was unlikely to provide a refund. I'm satisfied that it's more likely than not the ferry costs are also non-recoverable.

So I think the fair and reasonable outcome is for Mapfre to pay Mrs H's claim subject to the remaining policy terms and conditions, plus interest as I've detailed below.

Mapfre gave Mrs H poor service. She made her claim in June 2020 and Mapfre didn't tell her it had declined the claim until January 2021, seven months later. On several occasions Mapfre asked Mrs H to provide documents she had already provided. Mapfre accepts its service was poor. Mrs H and her representative were very frustrated by how Mapfre handled the claim but I think the £100 compensation it offered for Mrs H's distress and inconvenience was a reasonable amount. If Mapfre hadn't offered that amount I wouldn't have awarded more.

Putting things right

Mapfre must pay Mrs H's claim subject to the remaining policy terms and conditions, plus interest as I've detailed below. It must also pay £100 compensation, which it's already offered, for Mrs H's distress and inconvenience.

My final decision

I uphold this complaint and require Mapfre Asistencia, Compania Internacional De Seguros y Reaseguros, S.A. to pay:

- Mrs H's claim in line with the remaining policy terms and conditions plus interest* at 8% simple a year from the date of claim to the date of settlement, and
- £100 compensation to Mrs H for her distress and inconvenience due to its poor service, which it's already offered.

*If Mapfre Asistencia, Compania Internacional De Seguros y Reaseguros, S.A. considers that it's required by HM Revenue & Customs to take off income tax from that interest it should tell Mrs H how much it's taken off. It should also give Mrs H a certificate showing this if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 28 September 2022.

Nicola Sisk
Ombudsman